

**OAK PARK AND RIVER FOREST
DAY NURSERY**

**FINANCIAL STATEMENTS
AS OF JUNE 30, 2024 AND 2023**

TOGETHER WITH AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Oak Park and River Forest Day Nursery:

Opinion

We have audited the accompanying financial statements of Oak Park and River Forest Day Nursery (a nonprofit organization) ("OPRFDN"), which comprise the statement of financial position as of June 30, 2024 and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Oak Park and River Forest Day Nursery for the year ended June 30, 2024, and its changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Oak Park and River Forest Day Nursery and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in aggregate, which raise substantial doubt about Oak Park and River Forest Day Nursery's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

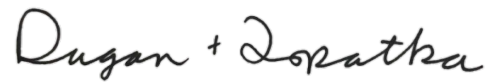
- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Oak Park and River Forest Day Nursery's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, which raise substantial doubt about Oak Park and River Forest Day Nursery's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Independent Auditor's Report
To the Board of Directors of
Oak Park and River Forest Day Nursery
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Report on Summarized Comparative Information

We have previously audited Oak Park and River Forest Day Nursery's 2023 financial statements, and we expressed an unmodified opinion on those audited financial statements in our opinion dated October 25, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in black ink that reads "Dugan + Lopatka". The script is cursive and fluid.

DUGAN & LOPATKA

Warrenville, Illinois
November 6, 2024

OAK PARK AND RIVER FOREST DAY NURSERY
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
<u>A S S E T S</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 92,414	\$ 123,129
Child care fees receivable	-	46,567
Grants receivable	157,008	237,693
Employee advances	4,530	-
Investments	213,978	212,239
Prepaid expenses	<u>26,276</u>	<u>18,779</u>
Total current assets	<u>494,206</u>	<u>638,407</u>
OTHER ASSETS:		
Right-of-use assets from operating leases	<u>12,423</u>	<u>20,232</u>
PROPERTY AND EQUIPMENT, net	<u>138,671</u>	<u>126,620</u>
Total assets	<u><u>\$ 645,300</u></u>	<u><u>\$ 785,259</u></u>

The accompanying notes are an integral part of this statement.

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accounts payable	\$ 43,893	\$ 27,234
Accrued payroll and payroll taxes	47,556	29,811
Grant advance	34,212	34,375
Deferred revenue	8,092	-
Lease liabilities from operating leases, current maturities	7,809	7,809
Unemployment insurance reserve	12,480	12,480
	<hr/>	<hr/>
Total current liabilities	154,042	111,709

LONG-TERM LIABILITIES:

Lease liabilities from operating leases, net of current maturities	4,614	12,423
Notes payable, net of current maturities	150,000	150,000
	<hr/>	<hr/>
Total long-term liabilities	154,614	162,423
	<hr/>	<hr/>
Total liabilities	308,656	274,132

COMMITMENTS

NET ASSETS:

Without donor restrictions	336,644	511,127
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Total liabilities and net assets	\$ 645,300	\$ 785,259
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OAK PARK AND RIVER FOREST DAY NURSERY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024
(with comparative totals for 2023)

	Without Donor Restrictions	With Donor Restrictions	Total	2023
PUBLIC SUPPORT AND REVENUE:				
Contributions and grants	\$ 278,564	\$ -	\$ 278,564	\$ 324,992
Child care fees	315,515	-	315,515	315,774
Contract fees and awards	44,899	-	44,899	39,535
Fundraising events	21,932	-	21,932	13,575
Grants from governmental entities	540,742	-	540,742	427,959
Employee Retention Tax Credit	-	-	-	254,731
In-kind contributions	-	-	-	11,400
Investment income	46,378	-	46,378	25,588
Other income	12	-	12	137
	<u>1,248,042</u>	<u>-</u>	<u>1,248,042</u>	<u>1,413,691</u>
Total public support and revenues				
FUNCTIONAL EXPENSES:				
Program services	1,253,454	-	1,253,454	1,176,932
Management and general	138,319	-	138,319	137,560
Fundraising	30,752	-	30,752	35,743
	<u>1,422,525</u>	<u>-</u>	<u>1,422,525</u>	<u>1,350,235</u>
Total functional expenses				
CHANGE IN NET ASSETS	(174,483)	-	(174,483)	63,456
NET ASSETS, Beginning of year	511,127	-	511,127	447,671
NET ASSETS, End of year	<u>\$ 336,644</u>	<u>\$ -</u>	<u>\$ 336,644</u>	<u>\$ 511,127</u>

The accompanying notes are an integral part of this statement.

OAK PARK AND RIVER FOREST DAY NURSERY
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (174,483)	\$ 63,456
Adjustments to reconcile change in net assets to net cash (used in) operating activities:		
Depreciation	25,973	29,159
Non-cash portion of lease expense for operating leases	7,809	7,809
Realized (gain) on investments	(12,593)	(58,847)
Unrealized (gain) loss on investments	(24,132)	37,866
Decrease in child care fees receivable	46,567	3,737
(Increase) decrease in grants receivable	80,685	(217,313)
(Increase) in employee advances	(4,530)	-
(Increase) in prepaid expenses	(7,497)	(525)
Increase in accounts payable	16,659	6,366
(Decrease) in lease liabilities from operating lease	(7,809)	(7,809)
Increase (decrease) in accrued payroll and payroll taxes	17,745	(13,226)
Increase in deferred revenue	8,092	-
Increase (decrease) in grant advance	(163)	34,375
	<u>(27,677)</u>	<u>(114,952)</u>
Net cash (used in) operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(38,025)	(12,000)
Purchase of investments	(13,460)	(31,118)
Proceeds from sale of investments	48,447	280,182
	<u>(3,038)</u>	<u>237,064</u>
Net cash (used in) provided by investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings on note payable	-	593
	<u>-</u>	<u>593</u>
Net cash provided by financing activities		
NET CHANGE IN CASH AND CASH EQUIVALENTS	(30,715)	122,705
CASH AND CASH EQUIVALENTS, Beginning of year	<u>123,129</u>	<u>424</u>
CASH AND CASH EQUIVALENTS, End of year	<u>\$ 92,414</u>	<u>\$ 123,129</u>
NON-CASH TRANSACTIONS:		
Right of use assets acquired through operating lease	<u>\$ -</u>	<u>\$ 27,391</u>

The accompanying notes are an integral part of this statement.

OAK PARK AND RIVER FOREST DAY NURSERY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024
(with comparative totals for 2023)

	Program Services	Management & General	Fundraising	Total	2023
Staff salaries and wages	\$ 694,038	\$ 96,843	\$ 16,140	\$ 807,021	\$ 775,749
Employer payroll taxes	51,602	7,200	1,200	60,002	74,610
Employee benefits	65,559	9,148	1,525	76,232	87,904
Professional fees	13,616	14,667	-	28,283	21,490
Food and kitchen supplies	98,888	-	-	98,888	84,297
Program supplies and services	17,170	-	-	17,170	9,023
Fundraising events expense	-	-	6,253	6,253	4,968
Facility occupancy	174,451	-	-	174,451	129,457
Equipment & supplies, in-kind	-	-	-	-	11,400
Office equipment, rent, and maintenance	14,760	-	-	14,760	10,118
Insurance	55,646	-	-	55,646	41,584
Office supplies and expense	6,073	-	-	6,073	1,794
Telecommunications	10,802	-	-	10,802	5,491
Staff training and development	2,564	-	-	2,564	542
Marketing, advertising, and promotion	-	-	2,453	2,453	735
Postage and courier	-	-	-	-	300
Printing and outsourced copying	-	-	3,181	3,181	4,370
Dues and subscriptions	12,270	-	-	12,270	9,727
Depreciation	25,973	-	-	25,973	29,159
Bank and credit card fees	3,810	8,387	-	12,197	2,411
Interest expense	-	-	-	-	5,026
Write-off of uncollectible receivables	3,055	-	-	3,055	-
Miscellaneous	3,177	2,074	-	5,251	40,080
Total functional expenses	<u>\$ 1,253,454</u>	<u>\$ 138,319</u>	<u>\$ 30,752</u>	<u>\$ 1,422,525</u>	<u>\$ 1,350,235</u>

The accompanying notes are an integral part of this statement.

OAK PARK AND RIVER FOREST DAY NURSERY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Oak Park and River Forest Day Nursery (OPRFDN) is an Illinois not-for-profit organization that has been providing quality early childhood education for working families for over 100 years. The core mission of OPRFDN is to provide exceptional early childhood education in an environment that welcomes all children, enhances individual strengths, and fosters the academic, social-emotional, and physical development that leads to school readiness. OPRFDN is supported by childcare fees, state and federal government support, grants, donations, and various fundraising events.

The financial statements were available to be issued on November 6, 2024, with subsequent events being evaluated through this date.

The following summarizes the significant accounting policies reflected in the accompanying financial statements.

Basis of Accounting -

The financial statements of OPRFDN have been prepared on the accrual basis of accounting which recognizes revenues as they are earned and expenses as they are incurred.

Basis of Presentation -

Financial statement presentation follows the recommendations of the Accounting Standards Codification (ASC), *Financial Statements for Not-for-Profit Organizations*. Under the ASC, OPRFDN is required to report information regarding two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Without donor restrictions - Net assets that are not subject to donor-imposed stipulations and may be expensed for any purpose in performing the primary objectives of OPRFDN. These net assets may be used at the discretion of management and the board of directors.

With donor restrictions - Net assets subject to donor-imposed stipulations. Some donor restrictions are temporary in nature; those restrictions will be met either by actions of OPRFDN and/or the passage of time. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity.

Cash and Cash Equivalents -

For purposes of the statement of cash flows, all highly liquid instruments with an original maturity of three months or less are considered to be cash equivalents.

Receivables -

Receivables represent grants due to OPRFDN from governmental agencies and non-profit agencies. Based on a review of outstanding receivable, management determined that an allowance for doubtful accounts was not necessary at June 30, 2024 and 2023.

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:
(Continued)

Investments -

Investments are recorded at fair market value. Realized and unrealized gains and losses are reflected in the statement of activities. Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of market risk associated with certain investment securities, it is possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

Property and Equipment -

Property and equipment are carried at original cost or fair market value at date of receipt for donated assets less accumulated depreciation. Building and building improvements are being depreciated on a straight-line basis over an estimated useful life of 15 years. Furniture, fixtures, and equipment is being depreciated on a straight-line basis over an estimated useful life of 5 to 15 years. OPRFDN's capitalization policy requires a minimum per unit value of \$1,000. Bulk purchases of \$5,000 or more that include items costing less than \$1,000 are also considered for capitalization.

Deferred Revenue -

Contract liabilities include deferred revenues related to advanced payments for childcare fees for future periods. These deposits are deferred until the performance obligation is completed.

Income Taxes -

OPRFDN has been determined by the Internal Revenue Service to be exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income tax has been established.

OPRFDN files informational returns in the U.S. federal jurisdiction and Illinois. OPRFDN is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for fiscal years before 2021. OPRFDN does not expect a material net change in unrecognized tax benefits in the next twelve months.

Concentrations of Credit Risk -

Financial instruments which potentially subject OPRFDN to concentrations of credit risk consist principally of cash. OPRFDN places its cash and deposits with high quality financial institutions. Deposits may exceed the federally insured limits of their institution from time to time.

Use of Estimates -

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts and disclosures. Actual results could differ from those estimates.

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:
(Continued)

Revenue Recognition for Grants and Contributions -

OPRFDN recognizes contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. OPRFDN reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the assets, or if they are designated as support for future periods. When a donor restriction expires; that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor-imposed contributions whose restrictions are met in the same reporting period are reported as net assets without donor restrictions.

Gifts of property and equipment are reported as support without donor restrictions, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, OPRFDN reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

A portion of OPRFDN's revenue is derived from cost-reimbursable state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized when OPRFDN has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position.

Childcare fees -

Childcare fees are reported at the amount that reflects the consideration to which OPRFDN expects to be entitled in exchange for the services. OPRFDN's childcare fees revenue consists primarily of the daycare service payments received from the parents whose children participate in OPRFDN's program. These fees are considered to have a single performance obligation and revenue is recognized when the daycare services occur.

Comparative Statements -

The financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with the accrual basis of accounting. Accordingly, such information should be read in conjunction with OPRFDN's financial statements for the year ended June 30, 2023, from which the summarized information was derived.

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:
(Continued)

Allocation of Expenses -

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include staff salaries and related expenses which are allocated on the basis of estimated of time and effort. General overhead expenses such as occupancy and other such expenses are allocated on the basis of facility square footage, or on the same basis as staff salaries.

Leases -

OPRFDN determines if an arrangement is a lease or contains a lease at inception of the contract. OPRFDN's operating leases are presented in operating lease right-of-use assets, current portion of operating lease liabilities, and long-term portion of operating lease liabilities in the accompanying statement of financial position as of June 30, 2024 and 2023.

Operating lease right-of-use assets and lease liabilities are measured based on the present value of future lease payments over the lease term at each lease's commencement date. As most of OPRFDN's leases do not specify their implicit rate, OPRFDN has elected a practical expedient to use the nominal yield, at lease inception, applicable to U.S. Treasury instruments with a maturity of similar length of the lease term.

Operating lease right-of-use assets include all fixed contractual lease payments and initial direct costs incurred by OPRFDN, less any lease incentives OPRFDN receives from the lessor. OPRFDN has elected a practical expedient to account for lease and non-lease components together as a single lease component. The terms of OPRFDN's leases generally contain lease payments and reimbursements to the lessor of OPRFDN's proportionate share of common area maintenance (CAM), real estate taxes and other pass-through charges. Only the fixed lease components are included in the right-of-use assets and lease liabilities. Additionally, OPRFDN has elected not to apply these lease accounting policies to leases with a term of one year or less at the commencement date.

Operating lease expense for lease payments is recognized on a straight-line basis over the terms of each lease. Variable lease components include CAM, real estate taxes and other charges and are recorded as lease expense as incurred.

OPRFDN's leases can contain options granting the right to renew or extend the term of the lease for specified option periods. The decision as to whether OPRFDN will exercise the renewal options is generally at OPRFDN's sole discretion. OPRFDN includes lease extensions in the lease term when it is reasonably certain that OPRFDN will exercise the extension.

Reclassification -

Certain prior year amounts have been reclassified to conform to the current year presentation.

(2) PROPERTY AND EQUIPMENT:

Property and equipment consist of the following:

	<u>2024</u>	<u>2023</u>
Land	\$ 20,716	\$ 20,716
Building and building improvement	545,473	517,049
Playground equipment	50,143	50,143
Furniture, fixtures, and equipment	<u>127,438</u>	<u>117,837</u>
	743,770	705,745
Less - Accumulated depreciation	<u>(605,099)</u>	<u>(579,125)</u>
	<u>\$ 138,671</u>	<u>\$ 126,620</u>

(3) LEASES:

OPRFDN leases its equipment under operating leases with non-related parties. The operating leases will expire at various dates through April 2026.

The components of lease expense for the year ending June 30, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Operating lease cost	\$ 8,106	\$ 7,809
Variable lease cost	<u>6,654</u>	<u>2,309</u>
Total lease expense	<u>\$ 14,760</u>	<u>\$ 10,118</u>

Future minimum lease payments under noncancelable leases as of June 30, 2024 are as follows:

2025	\$ 8,106
2026	<u>4,805</u>
Total future minimum lease payments	12,911
Less imputed interest included	<u>(488)</u>
Present value of net minimum lease payments	<u>\$ 12,423</u>

The following provides additional information related to the Organization's leases as of and for the years ended June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Current portion of lease liabilities	\$ 7,809	\$ 7,809
Long-term portion of lease liabilities	<u>4,614</u>	<u>12,423</u>
Total lease liabilities	<u>\$ 12,423</u>	<u>\$ 20,232</u>

(3) LEASES: (Continued)

	<u>2024</u>	<u>2023</u>
Weighted average lease term	1.55 years	2.53 years
Weighted average discount rate	1.58%	1.56%

Cash paid for amounts included in the measurements of the Organization's leases for the year ended June 30, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Operating cash from operating leases	<u>\$ 8,106</u>	<u>\$ 8,106</u>

(4) INVESTMENTS:

Investments consists of the following:

	<u>2024</u>	<u>2023</u>
Common stock	\$ 44,743	\$ 54,897
Mutual funds	<u>169,235</u>	<u>157,342</u>
Total investments	<u>\$ 213,978</u>	<u>\$ 212,239</u>

Investment return consisted of the following:

	<u>2024</u>	<u>2023</u>
Interest and dividends	\$ 12,625	\$ 7,740
Realized gain on sale of securities	12,593	58,847
Unrealized gain (loss) on investments	24,132	(37,866)
Investment management fees	<u>(2,972)</u>	<u>(3,133)</u>
Total investment return	<u>\$ 46,378</u>	<u>\$ 25,588</u>

(5) FAIR VALUE MEASUREMENTS:

The Accounting Standards Codification for Fair Value Measurements establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

(5) FAIR VALUE MEASUREMENTS: (Continued)

Level 1:

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2:

Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3:

Inputs to the valuation methodology are unobservable and significant to the fair value measurement. The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used on June 30, 2024 and 2023.

Common Stocks: Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual funds: Valued at the closing price reported on the active market on which the individual securities are traded.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although OPRFDN believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

(5) FAIR VALUE MEASUREMENTS: (Continued)

The following table sets forth by level, within the fair value hierarchy, OPRFDN's assets at fair value:

<u>Description</u>	<u>Assets at Fair Value as of June 30, 2024</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common Stocks	\$ 44,743	\$ -	\$ -	\$ 44,743
Fixed income, mutual funds	<u>169,235</u>	<u>-</u>	<u>-</u>	<u>169,235</u>
Total assets at fair value	<u>\$ 213,978</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 213,978</u>

<u>Description</u>	<u>Assets at Fair Value as of June 30, 2023</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common Stocks	\$ 54,897	\$ -	\$ -	\$ 54,897
Fixed income, mutual funds	<u>157,342</u>	<u>-</u>	<u>-</u>	<u>157,342</u>
Total assets at fair value	<u>\$ 212,239</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 212,239</u>

(6) NOTES PAYABLE:

Notes payable consists of the following as of June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Economic Injury Disaster Loan (EIDL) loan payable to SBA, interest at 2.75%, with monthly payments of \$641 of principal and interest, beginning January 19, 2023 (original date of loan was May, 2020) and due May 2051. Secured by OPRFDN's intangible personal property.	<u>\$ 150,000</u>	<u>\$ 150,000</u>
Less - Current portion	<u>-</u>	<u>-</u>
Long-term portion	<u>\$ 150,000</u>	<u>\$ 150,000</u>

Aggregate maturities required on notes payable as of June 30, 2024, are due in future years as follows:

2025	\$ -
2026	3,528
2027	3,711
2028	3,814
After	<u>138,947</u>
	<u>\$ 150,000</u>

(7) UNEMPLOYMENT INSURANCE RESERVE:

OPRFDN is recognized as self-insured for purposes of unemployment insurance under Illinois unemployment compensation regulations. Accordingly, no charges are paid to the Illinois Department of Employment Security (IDES) unless a legitimate claim is made by a former employee. For such claims, OPRFDN is liable to the extent of unemployment compensation paid by the IDES to the claimant. No such claims were paid or accrued during the fiscal year ended June 30, 2024. OPRFDN established an estimated unemployment insurance reserve to cover the contingency for legitimate claims. The reserve is reviewed periodically and is adjusted as justified by employment activities. The estimated unemployment insurance reserve balance as of June 30, 2024 and 2023 was \$12,480.

(8) BOARD-DESIGNATED NET ASSETS:

Net assets without donor restrictions includes Board-designated reserves designated for the following purposes:

	<u>2024</u>	<u>2023</u>
Building and program enhancement	\$ 213,978	\$ 222,405
Reserve for future building improvements and strategic project	<u>-</u>	<u>130</u>
Total board-designated net assets	<u>\$ 213,978</u>	<u>\$ 222,535</u>

(9) CONCENTRATION OF GOVERNMENT GRANTS:

OPRFDN had 22% and 19% of its revenue for the years ended June 30, 2024 and 2023 come from the State of Illinois grants, respectively.

(10) LIQUIDITY AND AVAILABILITY:

The following represents OPRFDN's financial assets on June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Financial assets:		
Cash and cash equivalents	\$ 92,414	\$ 123,129
Investments	213,978	212,239
Receivable	<u>161,538</u>	<u>284,260</u>
Total financial assets	467,930	619,628
Less: Assets with donor restrictions	<u>-</u>	<u>-</u>
Net financial assets after donor-imposed restrictions	467,930	619,628
Less: Internal designations – Board designated funds	<u>213,978</u>	<u>222,535</u>

(10) LIQUIDITY AND AVAILABILITY: (Continued)

	<u>2024</u>	<u>2023</u>
Financial assets available to meet cash needs for general expenditures that is without donor restriction or other restrictions limiting their use within one year	<u>\$ 253,952</u>	<u>\$ 397,093</u>

OPRFDN manages its liquidity and reserves adhering to the following principles:

- operating within a prudent range of financial soundness and stability.
- incurring unbudgeted costs only when such costs are funded.
- maintaining adequate liquid assets to fund near-term operating needs.